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WASHINGTON, March 17 — Setting up a potential showdown with the Senate, Republicans on the House Budget Committee rejected legislation on Wednesday that could have imperiled the extension of the tax cuts that are a centerpiece of [President Bush's](#) economic program.

The committee, in a 24-to-18 party-line vote, turned down a Democratic amendment that would have blocked future tax cuts unless they were paid for with money from spending cuts or increases in other taxes.

In a nod to conservative members of the panel concerned about what they call runaway spending, the committee voted to adopt new rules forcing lawmakers who want to increase spending for entitlement programs like Medicare to find other spending cuts of the same amount. It also voted to institute tough five-year caps on spending for discretionary programs, which essentially cover everything outside of Social Security and other entitlement programs. One outside liberal group, the Center on Budget and Policy Priorities, said the caps would lead to the lowest level of spending on domestic discretionary programs, as a percentage of the economy, since 1963.

A handful of moderate Republicans signaled Wednesday that they might break with their party leaders on whether to make it tougher to enact tax cuts. But assuming the full House goes along with the committee, the vote on Wednesday sets up a clash with the Senate about the future of Mr. Bush's tax cuts.

Last week, the Senate voted to require that any new tax cuts over the next five years win at least 60 votes in the 100-member chamber, unless the lost revenue could be made up elsewhere. With the support of four moderate Republicans, the vote effectively gave Democrats a veto over efforts to extend the tax cuts; many lawmakers say it is very unlikely with a \$478 billion deficit and continued operations in Iraq and Afghanistan that money could be found to offset new tax reductions.

Acknowledging that applying so-called pay-as-you-go rules to taxes would complicate efforts to make the tax cuts permanent, White House officials have been lobbying hard against the legislation. The House speaker, J. Dennis Hastert of Illinois, has signaled that House leaders intend to kill the provision when House and Senate budget writers meet to reconcile differences in their proposals. Republicans say it would be foolish to erect barriers to extending tax cuts that

have spurred economic growth; Democrats say the cuts are the main reason the nation faces its largest-ever deficit in dollar terms.

On Wednesday night, the committee approved and sent to the House a \$2.4 trillion budget resolution.

Despite the committee vote, some moderate House Republicans said in interviews that they might join with Democrats to support tighter restrictions on future tax cuts.

"I would certainly lean to vote for it," said Representative Michael N. Castle, a Delaware Republican who is president of the Republican Main Street Partnership, a group of more than 60 moderate Republicans in the House and Senate. "I still need to be persuaded that the tax cuts should be made permanent."

Representative Sherwood Boehlert, Republican of New York, said: "I like the concept. The deficit is emerging as the issue of the year, and we better get serious about addressing it."

Another moderate Republican from New York, Representative Amo Houghton, said he would consider voting for the provision rejected in the committee on Wednesday. "Everything is on the table," Mr. Houghton said. "We ought to have some sort of boundaries."

But the House Budget Committee chairman, Jim Nussle of Iowa, said that efforts to make tax cuts subject to pay-as-you-go rules would not succeed in the House. "It's really a nonstarter," he said.

Mark Kirk, a Republican House member from Illinois, said a compromise could be struck in conference committee to subject tax cuts to pay-as-you-go rules but exempt those whose extensions are called for in this year's budget resolution. Those include tax cuts that expire this year but have bipartisan support: eliminating the so-called marriage penalty, expanding the 10 percent tax bracket and keeping the child tax credit at \$1,000.